

$\alpha\beta\chi$

Groupement Financier

Groupement Financier Levered Ltd. & Groupement Financier Ltd.

Registered under BVI law

OPMEM 7.12.2005

The overall purpose of this OPMEM is to:

- Inform everybody of the new Company product
- guarantee a smooth and professional launch of the new Company product
- to build up an efficient interaction between all the entities involved in the day to day operations of the Company and to make sure that all the Company transactions will be performed in a timely and accurate manner.

The Operating Memorandum is also to define, document and agree on the responsibilities, workflows and procedures for the NAV computation and transaction-related working processes.

If required, UBSL – HIWE offers their support to organize an operational meeting with the department concerned.

Although this OPMEM does not constitute a legal agreement, it will be binding for ALL the parties involved.

The Operating Memorandum will therefore have to be commented and signed off by the respective departmental heads and should be distributed by them to the various team members involved in the process. They are responsible to make sure that these procedures will be read and understood by the persons in charge of the daily operations for this Company.

Later changes to these procedures, proving to be useful and/or mandatory, will be communicated by separate e-mail which will form integral part of this OPMEM and which will supersede the rules explained in this original document.

$\alpha\beta\chi$

Groupement Financier

Although this OPMEM does not constitute a Legal Agreement, it will be binding for ALL the parties involved.

$\alpha\beta\chi$

Groupement Financier

0. INTRODUCTION	5
0.1 RELEASE MANAGEMENT	5
0.2 EXPLANATION OF ABBREVIATIONS WHEN USED IN THE DOCUMENT	5
0.3 INTERNAL UBS CODES AND FUND DATA	6
0.4 REGISTERED OFFICE	6
0.5 INVESTMENT MANAGER	6
0.6 CUSTODY BANK FOR GROUPEMENT FINANCIER LEVERED LTD & PRIME BANK FOR GROUPEMENT FINANCIER LTD.	6
0.7 ADMINISTRATIVE AGENT	6
1. DEALING IN FUND SHARES	7
1.1 INFORMATION ON SHARE CATEGORIES	7
1.2 GENERAL INFORMATION ON SHARES	7
1.3 MAILING INFORMATION FOR SUBSCRIPTION / REDEMPTION FORMS	8
1.4 SUBSCRIPTIONS	8
1.4.1 General	8
1.4.2 Subscription via client's bank	8
1.4.3 Subscription via UBSL in Luxembourg	8
1.5 SUBSCRIPTION PROCEDURE	8
1.5.1 Subscription fee	9
1.5.2 Invested Asset accounts for reasons of internal book-keeping	9
1.6 REDEMPTION PROCEDURE	10
1.6.1 General	10
1.6.2 Redemption fee	10
1.7 CONVERSIONS	10
1.8 DIVIDEND POLICY	10
2. INVESTMENT SCHEME	10
2.1 FUND NO 1: GROUPEMENT FINANCIER LEVERED LTD.	10
2.2 CDC FINANCIAL PRODUCTS ("CDC")	11
2.2.1 General	11
2.2.2 Pricing of Total return Swap (TRS)	12
2.2.3 Workflows	12
2.3 FUND NO 2: GROUPEMENT FINANCIER LTD.	13
2.4 BERNARD MADOFF	15
2.4.1 Statements and confirmations	15
2.5 UBS LUXEMBOURG S.A.	16
2.5.1 Cash-flow Diagram	16
2.5.2 Bank of Bermuda and Currency risk hedging	17
3. PORTFOLIO MANAGEMENT FOR GROUPEMENT FINANCIER LTD	18
3.1 INVESTMENT WITH BERNARD MADOFF	18
3.2 CORPORATE ACTION	18
3.3 CONTROL OF INVESTMENT RESTRICTIONS	20
3.4 REMUNERATION	20
3.5 NOT TO DO	20
4. BANK BUSINESS	21
4.1 GENERAL	21
4.2 INTERNAL CONTROL	21

$\alpha\beta\chi$

Groupement Financier

4.3	INTERFACE TO UBSFSL – ACCOUNTING SYSTEM	21
4.4	BANK ACCOUNTS.....	21
5.	NAV CALCULATION.....	22
5.1	PARALLEL RUN AND FIRST OFFICIAL NAV CALCULATION IN LUXEMBOURG	22
5.2	ACCOUNTING SYSTEM GP3	22
5.3	NAV-CALCULATION	23
5.3.1	<i>Groupement Financier Limited:</i>	24
5.3.2	<i>Portfolio Evaluation of Groupement Financier Ltd.</i>	24
5.3.3	<i>Groupement Financier Levered Limited:</i>	24
5.3.4	<i>Evaluation of the Total Return SWAP of Groupement Financier Levered Ltd.</i>	25
5.4	HEDGING OF EUR SHARE CLASSES.....	25
5.5	NAV FINALISATION	25
5.6	BI-MONTHLY REPORTING	25
6.	GENERAL ADMINISTRATION SERVICES	26
6.1	PAYMENT OF COMMISSIONS TO MAIN SERVICE PROVIDERS	26
6.1.1	<i>Groupement Financier Funds</i>	26
6.2	PAYMENT OF INVOICES FROM EXTERNAL SERVICE PROVIDERS	26
6.3	FEE STRUCTURE.....	27
6.3.1	<i>Payment instruction for subscription fees (see paragraph 3.2.2), for Portfolio Management fees and for Performance fee</i>	28
6.4	CONTRIBUTING OF NAV TO MEDIA AND TO QUOTE PROVIDERS.....	28
	<i>Prices will not be published</i>	28
7.	ANNUAL GENERAL MEETING	28
8.	FUND REPORTING.....	28
8.1	ANNUAL REPORTS.....	28
9.	CLIENT RELATIONSHIP MANAGEMENT	29
9.1	CLIENT ADVISER AND RELATIONSHIP MANAGERS	29
9.2	HIWE - LOCAL CO-ORDINATION AND QUALITY SUPERVISION	29
9.3	CUSTODY SERVICES – ACCOUNT MANAGER.....	29
10.	CONTACTS AND ADDRESSES	30
10.1	ADDRESSES	30
11.	CONTACTS AT UBSL.....	32
11.1	CONTACTS AT UBSFSL – ADMINISTRATIVE AGENT IN LUXEMBOURG.....	33

$\alpha\beta\chi$

Groupement Financier

0. Introduction

0.1 Release management

No. Version 6	<input checked="" type="checkbox"/> New document	<input type="checkbox"/> Replaces document no. 5
Description	Contents: Final Document Operating Memorandum for Groupement Financier Funds	
Creation	Author(s): Birchen René	Date 1.1.2005
Last update	Author(s): <i>For changes please refer to "Change History" below</i>	Date 13.4.2005
File location		
Change history	In RED	

0.2 Explanation of Abbreviations when used in the document

PM:	Portfolio Manager
UBSL:	UBS Luxembourg S.A.
HIWE:	Key Clients' Desk
CA:	Client Adviser
SECA:	Securities Administration, Inc. Corporate actions, UBSL
SETT:	Settlements Department, UBSL -
TPRO:	Transaction Products (UBSL)
TPRO S & B:	Transaction products, Sales & Brokerage
SUPR:	Account Manager for custodian matters
PADE:	Payment and Derivatives Department UBSL
CODFHF:	Central Order Desk for Hedge Funds
INSO:	Investment Solutions (Portfolio Management Desk of UBSL)
UBSFSL:	UBS Fund Services (Luxembourg) S.A.
CAS:	Central Accounting Services, Fund Accounting department, UBSFSL
FONP:	Fund Accounting Department, UBSFSL
FAOD:	Order Desk, UBSFSL
FNRE:	Legal-, Tax- and Client Reporting
FPNP:	Pricing Desk, UBSFSL
FIMD:	Fund Instrument Master Data
FPPC:	Product Control, UBSFSL
BMI	Bernard L. Madoff Investment Securities – in charge of the investment management of the US assets of the Groupement Financier Ltd. Fund.

$\alpha\beta\chi$

Groupement Financier

0.3 Internal UBS codes and Fund data

BVI Funds	<i>Groupement Financier Levered Ltd.</i>	<i>Groupement Financier Ltd.</i>
UBSFSL code	9377	9376
Date of Incorporation	6.6.2003	19.2.2003
BVI Commercial Register	No 547497	No 534377
Accounting Year End	31.12.	31.12.

0.4 Registered Office

P.O. BOX 173
Road town
Tortola
British Virgin Islands

0.5 Investment Manager

Access International Advisors Ltd.
50 Shirley Street
2nd Floor PO Box CB 13937
Nassau Bahamas

**0.6 Custody Bank for Groupement Financier Levered Ltd & Prime Bank for
Groupement Financier Ltd.**

UBS (Luxembourg) S.A.

0.7 Administrative Agent

UBSFSL

$\alpha\beta\chi$

Groupement Financier

1. Dealing in Fund shares

1.1 Information on share categories

<i>Groupement Financier Levered Ltd.</i>	<i>Groupement Financier Ltd.</i>
USD Class	USD Class
ISIN code: VGG419461071	ISIN code: VGG413711083
EUR Class	EUR Class
ISIN code: VGG413711323	ISIN code: VGG413711240
Includes specific hedging complement under which the non-EUR portfolio assets attributable to it are intended to be hedged against the EUR on a roll-over monthly basis	Includes specific hedging complement under which the non-EUR portfolio assets attributable to it are intended to be hedged against the EUR on a roll-over monthly basis

1.2 General Information on shares

Issue of shares	Non certificated registered form
Listing on Stock Exchange	No
Dates of incorporation	19.2.2003 Groupement Financier Ltd. 06.6.2003 Groupement Financier Levered Ltd.
Commencement of Trading	1.04.2003 Groupement Financier Ltd. 1.11.2004 Groupement Financier Levered Ltd.
Minimum initial investment and holding amount	USD 1,000,000,- for Category A shares . At the discretion of the Directors the Funds may accept lower amounts but not less than USD/EUR 30,000
Minimum initial investment and holding amount	EUR 1,000,000,- for Category B shares . At the discretion of the Directors the Funds may accept lower amounts but not less than USD/EUR 30,000
Subscription fee in favor of the sales agent (on both Funds)	Up to 5 %
Redemption fee (only on Groupement Financier Levered Ltd.)	Up to 1 %
Subscription requests (bi-monthly and monthly)	Before 4 PM on NAV day – 1 Lux bank business day
Subscription proceeds receivable	NAV Day - 1
Redemption requests (only monthly)	Only permitted at the end of each month. Requests to be received no later than 5 Lux Bank business days before the last Lux business day of each month

$\alpha\beta\chi$

Groupement Financier

Payment of redemption proceeds	10th bank business day after valuation day
Dividend policy	Accumulation – no distributions

1.3 Mailing information for subscription / redemption forms

Subscription / redemption forms should be faxed to :

UBS Fund Services (Luxembourg) S.A. Attn. Carol Kohll / Order Desk – Share Register Tel.- +352 441010 6595	Fax.- +352 441010 6417 / 6418
--	--------------------------------------

1.4 Subscriptions

1.4.1 General

UBS Fund Services (Luxembourg) S.A. (the Agent) usually only accepts subscription and redemption requests coming from institutional clients, from UBS Private Banking (on behalf of the private clients having opened a bank account with UBS) or from the main distributor.

Subscriptions by the **private clients** will therefore have to be placed via the clients' house banks in their country of domicile or via UBS in Luxembourg or in Switzerland.

1.4.2 Subscription via client's bank.

The client will place his subscription order with his bank. The client's bank will then subscribe in its own name, on behalf of its client. It will debit it's client's cash account and credit his security account upon reception of the subscription confirmation. The client will be informed via bank statement of his newly acquired Fund shares.

The bank should fax its subscription order directly to UBSFSL in using the application template attached to the prospectus.

1.4.3 Subscription via UBSL in Luxembourg.

Clients can alternatively open a bank account with UBSL WM for a minimum value of EUR 200 000 (Contact: Mr. Romain Kirsch – tel.- +352 451212 155).

UBSL WM clients can then place their subscription orders directly via the Luxembourg UBS Client Adviser.

1.5 Subscription procedure

- Subscriptions can be placed on a bi-monthly and monthly basis. They can only be made for an amount of money.
- For the purpose of applying subscription, purchase applications must be accepted and received with the related payment one Luxembourg bank business day before the applicable Valuation Date. Instructions have to be received by UBS Fund Services (Luxembourg) SA at latest **by 4 PM Luxembourg time**. Any dealing instruction received on the Valuation day or thereafter will be carried forward to the next Valuation Day.

$\alpha\beta\chi$

Groupement Financier

- Upon receipt of the subscription instructions, UBSFSL - FAOD will advise AIA London, i.e. Mr. John Baker, of the amounts invested. J. Baker will then confirm whether the subscription is acceptable or not. He will also advise UBSFSL - FAOD of the amount of the subscription commission to be charged and of the payment details for the respective commission payment.
- Payment of subscription monies must be generated via a regulated financial institution that is authorized to accept client monies (like banks). Such financial institutions are submitted to the anti-money-laundering regulations of the Financial Action Task Force (FATF).
- Institutional clients like banks or insurance companies can ask to settle their subscription or redemption orders **on a delivery free basis** through a Clearing House like Clearstream **and** ask UBSL/UBSFSL to book the Fund shares to **a safe-custody account** in their name, to be opened with UBSL. In this latter case the subscription monies will have to be paid to the correspondent bank account of UBSL in favor of the Fund (see chapter on bank accounts).
- Share holdings will in principle be registered in non-certificated registered form. Fractional entitlements will be recognized to three decimal places. Share certificates will only be issued upon special request. Investors will therefore only receive a confirmation of their registration in the "Shareholders' Register" of the Fund.
- UBSFSL will confirm the entry in the Fund's Register of Shareholders and give payment instructions to the respective banks. The Banks on their side will debit their underlying client bank accounts.
- UBSFSL - FAOD will fax monthly client statements to each shareholder, showing the number of shares, the NAV price and the value of the holdings.
- UBSFSL, Mrs. Stéphanie Coupez will inform UBSL – HIWE, Messrs. Daniel Deprez, René Birchen and Serge Karp of the number of shares subscribed and redeemed during each 15-day period. This information is needed per share class.

1.5.1 Subscription fee

According to Prospectus the Groupement Financier Levered Ltd. may charge up to 5 % in favor of the sales agent. This will only happen on explicit advice given by AIA London. Mr. John Baker will then have to inform FAOD of the amount of the subscription commission to be charged and will communicate the payment details for the respective commission payment.

1.5.2 Invested Asset accounts for reasons of internal book-keeping

UBSFSL, Mrs. Laurence Alter of Operations Support, will book new subscription monies as well as redemption proceeds to the two following accounts:

$\alpha\beta\chi$

Groupe ment Financier

Groupe ment Financier Levered Ltd.	5393771
Groupe ment Financier Ltd.	5393761

1.6 Redemption Procedure

1.6.1 General

Redemptions can only be placed by the end of each month.

Redemption instructions must be received by UBSFSL no later than 5 Luxembourg Bank business days before the last Luxembourg Business Day of each month, at latest by 4 PM on a business day on which the redemption is to occur. Any dealing instruction received after that time will be carried forward to the next Valuation Day.

Redemption monies will be paid in the base currency of each respective sub-fund at latest on the **10th bank business day** in Luxembourg, after the Valuation Day.

1.6.2 Redemption fee

- A redemption fee of up to 1% may be charged on redemptions out of the Groupe ment Financier Levered Ltd. This is however unlikely to happen. Possible fees would be in favor of Access Ltd. Bahamas.
- There will be no charge on redemptions out of the Groupe ment Financier Ltd.

1.7 Conversions

N/a

1.8 Dividend policy

Accumulation – no distribution

2. Investment Scheme

2.1 Fund No 1: Groupe ment Financier Levered Ltd.

Periodicity:	<i>bi-monthly</i>
First NAV by UBSFSL for :	
Class "A" shares	<i>USD</i>
Class "B" shares	<i>EUR – hedged against the USD</i>
Total Return SWAP	<i>Notional amount to be amended by CDC after each subscription / redemption</i>

Subscription and redemption amounts into / out of the Groupe ment Financier Levered Ltd. Fund as well as the number of shares issued need to be communicated by FAOD to:

- AIA London, attention Mr. John Baker.

with copies to:

- AIA New York, attention Mr. Bill Rapavy.

© Copyright by UBS (Luxembourg) S.A.

$\alpha\beta\chi$

Groupement Financier

(AIA NY will inform the Currency Risk Manager of the net subscription monies in EUR for hedging purposes).

- UBSL – SUPR, attn. Mrs. Eliane Kohn (e-mail: (dl-ubsl-pbs-suprteam1@ubs.com)).
- UBSL – HIWE, attn. Mr. Daniel Deprez and René Birchen.

Once the EUR amounts, if any, will have been converted into USD and once the total amount in USD to be transferred will have been confirmed by AIA London, the SUPR desk (Mrs. Eliane Kohn) of UBSL will prepare the transfer instruction and present it to UBSL HIWE for the sign off. SUPR will then transfer the monies to CDC Financial Products.

2.2 CDC Financial Products ("CDC")

2.2.1 General

As a result of an agreement with CDC Financial Products ("CDC") a credit line has been made available by CDC to investors subscribing to Groupement Financier Levered Limited enabling those investors to have a credit added to their investment equal to the actual amount of their investment.

The practical way this is being handled is that once investors subscriptions have been credited to the UBSL bank account of the Groupement Financier Levered Ltd., these subscriptions will be wired to CDC Financial Products who then in turn will invest twice the level of the subscriptions they received with Groupement Financier Ltd. in the name of State Street Custodial Services (Ireland) Limited a/c BLOOM ASSET HOLDINGS FUND - BLOSSOM ASSET HOLDINGS FUND (see paragraph 2.2.3.)

CDC Financial Products has concluded a total return SWAP for this doubled subscription amount in favor of Groupement Financier Levered Ltd.

$\alpha\beta\chi$

Groupement Financier

2.2.2 Pricing of Total return Swap (TRS)

UBSFSL – Pricing desk will not be in charge of evaluating this total return Swap when calculating the NAV of the Groupement Financier Levered Ltd. They will only do a plausibility control of the value of the SWAP. For that purpose CDC will have to send a bi-monthly statement to the Pricing Desk of UBSFSL.

Current rate on the total return SWAP:

Rate: 4.1925 (LIBOR 2.7425 plus 145 bps)
Period: 2.1.2005 to 5.3.2005
Next reset: 5.3.2005

2.2.3 Workflows

- Subscription monies in favor of CDC should be wired from UBSL to:
Citibank
ABA 021000089
a/c CDC Financial Products Inc.
a/c No. 36216161
Ref. Groupement Financier Levered Limited
- CDC Financial Products Inc. will issue a total return SWAP (TRS) in favor of Groupement Financier Levered Ltd. for twice the level of the amount received.
- CDC Financial Products will then invest twice the level of the amount received into the Groupement Financier Ltd. Fund and organize the transfer of the subscription monies to the UBSL account of this Fund.
- At present subscriptions to Groupement Financier Ltd. for CDC Financial Products are made by :
State Street International (Ireland) limited.
Guild House,
Guild Street,
International Financial Services Centre
Dublin 1 Ireland.

They are placed in the following shareholder's name:

State Street Custodial Services (Ireland) Limited
a/c BLOOM ASSET HOLDINGS FUND - BLOSSOM ASSET HOLDINGS FUND.

For subsequent subscriptions the notional amount of the TRS will be increased and CDC will communicate it to FPNP by electronic mail: DL-UBSFSL-PRICINGDESK

$\alpha\beta\chi$

Groupement Financier

2.3 Fund No 2: Groupement Financier Ltd.

Periodicity: -	<i>bi-monthly</i>
First NAV by UBSFSL: for :	
Class "A" shares	<i>USD</i>
Class "B" shares	<i>EUR – hedged against the USD</i>

For the needs of CDC the Groupement Financier Ltd Fund will issue shares in favor of State Street Custodial Services (Ireland) Limited a/c BLOOM ASSET HOLDINGS FUND.- BLOSSOM ASSET HOLDINGS FUND, in respect of the amount received.

There may be subscriptions in EUR coming in from other clients. These EUR amounts will have to be communicated by UBSFSL to AIA New York. (AIA NY will inform the Currency Risk Manager of the net subscription monies in EUR of the amounts to be hedged against the USD).

Subscription and redemption amounts into the Groupement Financier Ltd. Fund as well as the number of shares issued need to be communicated by UBSFSL – Unit Order Desk to:

- AIA London, attention Mr. John Baker.

with copies to:

- AIA New York, attention Mr. Bill Rapavy.
- UBSL - SUPR, attn. Mrs. Eliane Kohn (e-mail: (dl-ubsl-pbs-suprteam1@ubs.com)).
- UBSL – HIWE, attn. Mr. Daniel Deprez and René Birchen.

Groupement Financier Ltd. will invest the subscription monies with Bernard Madoff Investments in New York. AIA London will give UBSL – SUPR detailed instructions of the amounts to be invested with B. Madoff.

Amounts in USD should be paid to the Bank of Bermuda via HSBC in favor of the Groupement Financier Ltd.

<u>Beneficiary Bank:</u> The Bank of Bermuda Limited Front Street, Hamilton HM11 PO Box HM 1020, Hamilton HM DX Bermuda 1 - SWIFT CODE: BBDABMHM 2 – CHIPS UID: 005584	<u>Correspondent Bank:</u> HSBC Bank USA 452, fth avenue New York, NY 10018 Swift code: MRMDUS33
(Both codes above identify the Bank of Bermuda, Hamilton. Only one is needed and the choice of code is dependent on the payment system used).	
Beneficiary Account Number: 0280750 For Beneficial Owner: Groupement Financier Ltd	

αβχ

Groupement Financier

AIA New York will give instructions directly to BoB to transfer these monies to the Groupement Financier Ltd account **No 1-FR096-3** at Bernard L. Madoff Investment Securities.

HSBC / BoB's Cash statements will have to be sent to AIA London, who should forward them to UBSL – SETT, attention Mrs. Dorthe Brandt (E-mail: dl-ubsl-sett-free-deliveries-access@UBS.COM , together with the statements of B. Madoff.

$\alpha\beta\chi$

Groupement Financier

2.4 Bernard Madoff

Bernard Madoff is the exclusive trader of the Account No: 1-FR096 of the Groupement Financier Ltd and the transactions involving the assets of the Fund will be executed and settled under this company's responsibility.

2.4.1 Statements and confirmations

Advices/ contract notes for the account No: 1-FR096 of the Groupement Financier Ltd will be faxed by Bernard Madoff to AIA New York as of each trade date. This information will be forwarded from AIA NY to AIA London. AIA London will be fully responsible for forwarding copies of Bernard Madoff contract notes and statements to UBS offices in Luxembourg.

This will be done in electronic PDF format to the following addresses:

a) UBSL – Settlement Department

E-mail: (dl-ubsl-sett-free-deliveries-access@ubs.com),

b) Information on derivative transactions should be sent to UBSL – Settlement Department:

E-mail: (SH-UBSL-ETDOTC@ubs.com) FAX No.- 00352 451212 735

c) A copy will also be sent by AIA London to UBSFSL for cash information- and NAV calculation purposes:

E-mail: (olivier.corbonnois@ubs.com)

These documents will include detailed information on:

- Purchases and sales of shares.
- Purchases and sales of options.
- Purchases and sales of US T-bills.
- Any monies credited or debited to the account (wire transfers in or out).

Additionally, at the end of each month **a monthly statement in PDF format will be sent by AIA London to UBSL and to UBSFSL**, giving details of all transactions on the account during the month – purchases and sales of shares, purchases and shares of options, purchases and sales of US T-bills, and additionally purchases and sales of Fidelity Money Market Fund and dividends credited to the account.

There will be no mid-month transactions recapitulative list. However UBS will receive Advices/ contract notes as of each trade placed during the first half of the month, for inclusion in the mid-month NAV.

$\alpha\beta\chi$

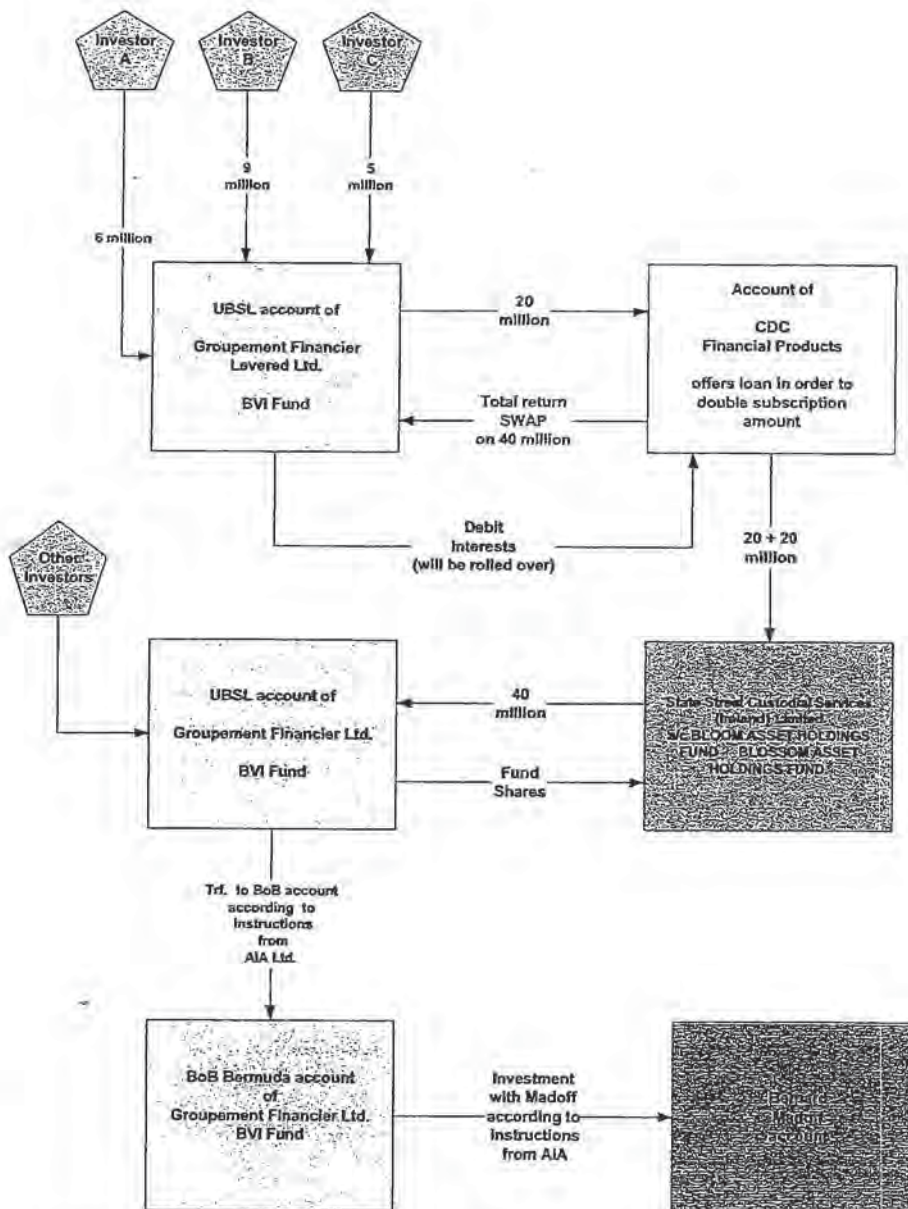
Groupement Financier

2.5 UBS Luxembourg S.A.

UBSL – SETT will keep a mirror book-keeping of all the transactions placed by B. Madoff, so as to enable UBSFSL to run their NAV calculation.

UBSL – SETT will forward the monthly information received from AIA London to UBSL - RECO, who will reconcile this data against the month-end holding balances maintained in the books of UBSL.

2.5.1 Cash-flow Diagram



$\alpha\beta\chi$

Groupement Financier

2.5.2 Bank of Bermuda and Currency risk hedging

AIA Europe is responsible for the hedging of the EUR class of the two Funds. Forwards will be used to hedge the Euro share classes, with monthly maturity and roll-over.

To do so AIA Europe will instruct the Bank of Bermuda (BoB) to enter into specific foreign forward exchange contracts.

AIA Europe will then send a copy with the details of the instructions to UBS Fund Services (Luxembourg) S.A. – "FATH department":

SH-UBSFSL-NAV@UBS.COM

to the attention of:

Roilgen Carlo
6587

Tel. +352 441010 6535

Fax number +352 441010

Olivier Corbonnois

Tel. +352 441010 6545

Fax number +352 441010 6587

The main hedging contracts for Groupement Financier Ltd. and Groupement Financier Levered Ltd. will be entered into one month forward , as is the case with Luxalpha. Once the mid month Euro subscriptions are known there may then be the need to enter into a second forward contract for the equivalent amount of the mid month Euro subscriptions with the maturity date the same date as the existing main forward contract.

(For example with Luxalpha the main FX hedging contract currently matures on the 10th of each month. For mid-month Euro subscriptions to Luxalpha an additional forward contract may be concluded, assuming the Euros are going to be converted at the present time and not stay in Euro cash, with the maturity date of the main contract, i.e. the 10th of the following month).

AIA Europe will also mail the BoB bank statements in PDF format to the FATH department of UBSFSL.

$\alpha\beta\chi$

Groupement Financier

3. Portfolio Management for Groupement Financier Ltd

3.1 Investment with Bernard Madoff

Bernard Madoff is the exclusive trader of the Account and the transactions involving the assets of the Fund will be executed and settled under this company's responsibility.

At present there are approximately 43 stocks in the "S&P 100 Index" which comprise the "basket" for Groupement Financier Limited – these 43 stocks replicate the "S&P 100 Index" and the purchases and sales of shares are limited to these 43 stocks. The 43 stocks are purchased simultaneously, normally on the same day at the same time, although investment of the whole portfolio may be made over several days, with the 43 stocks being purchased each day in the same proportions until the portfolio is invested.

At the same time that the 43 stocks are purchased, Bernard Madoff purchases a number of put option contracts for the current option month equal to, or slightly greater in value than, the value of the basket of shares purchased.

Later the same day, B. Madoff sells a similar number of call option contracts for the current option month slightly "out of the money".

When the portfolio is not invested in the stocks and options it is invested in short term US Treasury Bills or Fidelity Money Market units.

3.2 Corporate Action

UBS (Luxembourg) S.A.

- Dividends received are shown on the monthly statements of Bernard Madoff which are being sent to UBSL - SETT.

For the Luxalpha SICAV a hard copy of the statements is directly sent by B. Madoff to UBSL-SETT.

For the Groupement Financier Funds copies are being sent to UBSL - SETT in PDF format by AIA Europe.

- UBSL - SETT will forward the statements received to UBSL - SUPR, Mr. Rainer Hoffmann (Luxalpha SICAV) or to Mrs. Eliane Kohn (Groupement Financier Ltd.).
- SUPR will take out all dividends and possible coupons and prepare an "xls.-reconciliation sheet" which will be submitted to the departmental head of UBSL - SECA for plausibility control purposes.
- There will be no real cash-booking done by SECA or other SETT-CUST entities, only a technical in-out within SECA due to technical reasons. A cash reconciliation of the Madoff account is therefore not possible. Liquidities are however booked by UBSFSL for inclusion in the NAV calculation.
- SECA will report any major discrepancies, if any, to UBSL-SUPR on a monthly basis.
- SUPR will discuss such differences directly with AIA Europe, Mr. John Baker (tel.-+44 207 945 6155, E-mail: (jbaker@aiagroup.com). Any correspondence should

$\alpha\beta\chi$

Groupement Financier

be copied to Mr. Serge Karp (for Luxalpha) or to Mr. Daniel Deprez (for Groupement Financier) of UBSL - HIWE.

- Other corporate action events, if any, will be analysed on a case by case basis.

αβχ

Groupement Financier

AIA Europe

AIA Europe will discuss wrong or missing dividend amounts with B. Madoff and revert back to UBSL - SUPR with the proposed solution.

UBSFSL

- UBSFSL, on their side, will include a provision for any corporate action in their NAV calculation as on the Ex-date. Any discrepancies between accrued amounts and amounts received should be communicated on a monthly basis by UBSFSL – Mr. Patrick Nestler to UBSL – SUPR, Mr. Rainer Hoffmann (Luxalpha SICAV) or to Mrs. Eliane Kohn (Groupement Financier Ltd.), who will inform AIA Europe.
- Additionally the NAV section of UBSFSL under the responsibility of Mr. Olivier Corbonnois will do a semi-annual and annual reconciliation of outstanding dividends and report any discrepancy to UBSL – SUPR.

3.3 Control of Investment Restrictions

Neither UBSL nor UBSFSL are supposed to control the respect of the investment restrictions.

3.4 Remuneration

B. Madoff's remuneration will be included in the counter-party price spread for securities and in the brokerage fees for derivatives instruments.

3.5 Not to do

Neither UBSL nor UBSFSL should ever enter into a direct contact with Bernard Madoff !!!

$\alpha\beta\chi$

Groupement Financier

4. Bank business

4.1 General

- For the Groupement Financier Levered Ltd, UBSL will act as main Custodian.
- For the Groupement Financier Ltd, the responsibility of UBSL will be limited to the functions of a Prime Bank. These functions include the receipt of the subscription monies on the Fund's bank account and the subsequent transfer of all or of a majority of these monies to BoB.
- UBSL will also keep a mirror book-keeping of all the transactions placed by B. Madoff, so as to enable UBSFSL to run their NAV calculation. Trade confirmations will usually be booked by UBSL over a period of 9 business days even after the official NAV valuation date, or at latest once all the trades executed by B. Madoff will have been communicated to UBSL. These entries will only be mirror book entries serving for reconciliation and NAV purposes.

4.2 Internal control

UBSL – SETT will forward the monthly information received from AIA London to UBSL – RECO, who will reconcile this data against the month-end holding balances maintained in the books of UBSL.

4.3 Interface to UBSFSL – accounting system

Any entries booked by UBSL – SETT will be downloaded via interface into the accounting system of UBSFSL.

UBSFSL will reconcile the input of UBSL against the confirmation received from AIA London and will then calculate the NAV on the days as foreseen in the prospectus of the Fund.

4.4 Bank Accounts

Main Correspondent Banks for Treasury and Commercial payments of UBSL	
EUR UBS Warburg AG, in Frankfurt	0230-60805.70M SWIFT UBSWDEFF
USD UBS AG Stamford Branch, in New York	101-WA-361135-000 SWIFT UBSWUS33
UBSL Accounts	Accounts
Groupement Financier Levered Ltd.	5393770
Groupement Financier Ltd.	5393760
Account with BoB	Account
Groupement Financier Ltd. account in USD	0280750
Accounts with Bernard L. Madoff Investment Securities	Accounts

$\alpha\beta\chi$

Groupement Financier

Groupement Financier Ltd. account in USD	No 1-FR096
Sub-account for shares	No 1-FR096-3-0
Sub-account for options	No 1-FR096-4-0

5. NAV calculation

5.1 Parallel Run and first official NAV calculation in Luxembourg

UBSFSL will run a parallel NAV calculation to the one of Access International Advisors Europe of 17.1.2005 and of 31.1.2005.

The first official NAV calculation will be done in Luxembourg on 15.2.2005.

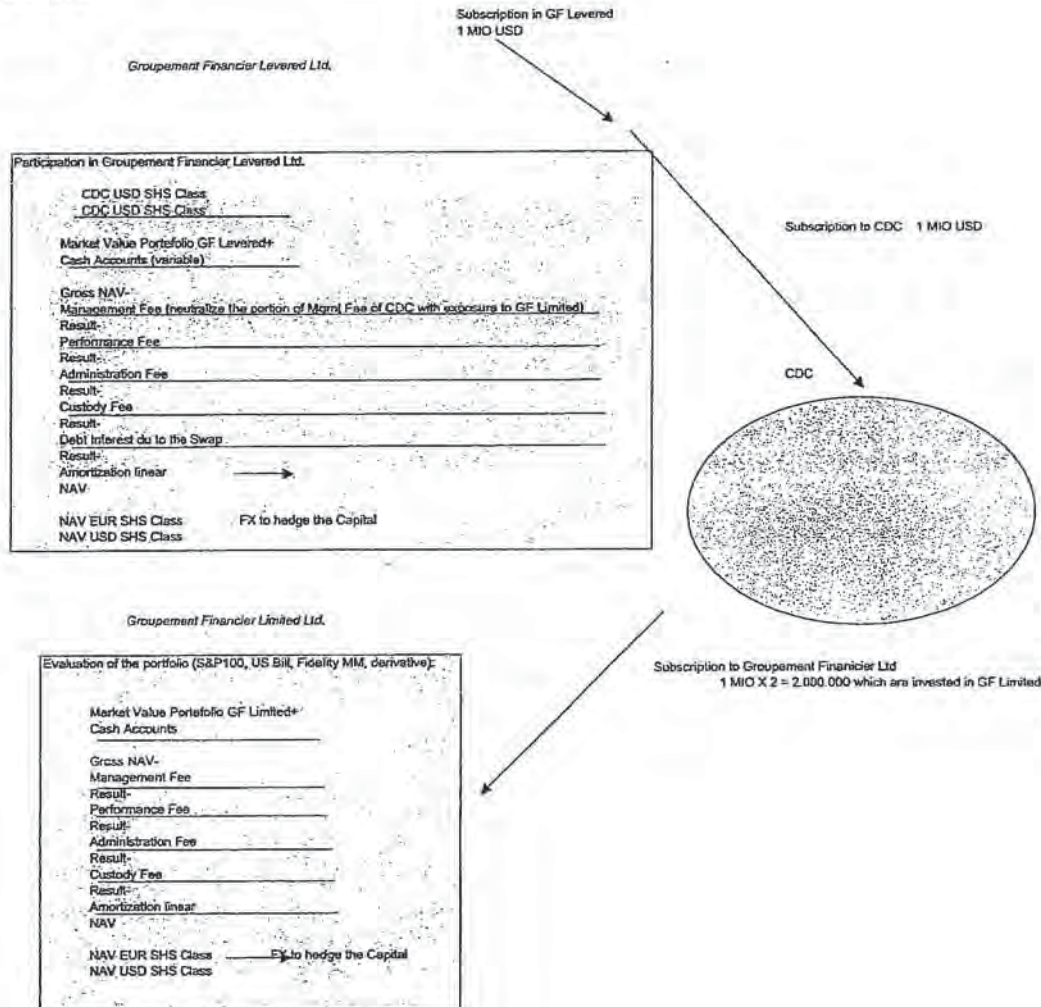
5.2 Accounting system GP3

On the GP3 platform, for functionality reasons only, the Groupement Financier Levered Ltd. has been set up like a Fund of Funds.

$\alpha\beta\chi$

Groupement Financier

set-up like a FoF



5.3 NAV-Calculation

Frequency: bi-monthly

Deadline: 4:00 P.M. (C.E.T)

Forward pricing: Yes

NAV calculations will be done on a forward pricing basis. Forward pricing means that issues and redemptions of fund shares received on Day 1 will be executed on the basis of the NAV price for Day 1 calculated on the next following business day. Clients subscribing or redeeming

$\alpha\beta\chi$

Groupement Financier

fund shares thus do not know the fund price in advance but apply for execution. This technique is the best guarantee for the fair treatment of new, existing and leaving investors in the fund.

The NAV (Net Asset Value) per share is calculated for the 15th and the last Luxembourg Bank Business Day of each month (each called the "Valuation Day"). Should the 15th day of the month not be a business day in Luxembourg, the NAV will be calculated for the next following Luxembourg bank business day.

Due to the considerable delay in the dispatching of the trade confirmations and broker statements from B. Madoff, the client has accepted that UBSFSL issues the NAV with a delay of up to 9 business days.

5.3.1 Groupement Financier Limited:

The process of calculating the Net Asset Value of the Groupement Financier Limited consists in the evaluation of the portfolio and in the adding together of the different cash accounts. From this resulting value is deducted the Management Fee, the Custody Fee and the Fund Administration Fee. The result is then multiplied by the % rate of the Performance fee in order to obtain the provisions which must be booked in the Fund. An important control that must be done by the Fund account, is to check the efficiency of both the share classes in EUR and in USD.

5.3.2 Portfolio Evaluation of Groupement Financier Ltd.

For the evaluation of the portfolio (mid- and month-end NAV), UBSFSL should use best prices published by IPMA.

5.3.3 Groupement Financier Levered Limited:

The Total Return Swap will be treated like an out of book entry.
The process of calculating the Net Asset Value of the Groupement Financier Levered Limited is therefore to first take the value of the shares indirectly held by CDC Financial Products in Groupement Financier Limited (no of shares x Groupement Financier \$ NAV, or EUR NAV, but neutralize the portion of Mgmt Fee of CDC with exposure to GF Limited). To this value are added the different cash accounts and are deducted the total of borrowings and accrued interest presently due to CDC Financial Products and some small incidental expenses at the Groupement Financier Levered Ltd. level (audit fees/ organization costs, Fund Administration, Custody fee). This result is multiplied by the % rate of the Management Fee in order to make the right provisions. An important control that must be done by the Fund account, is to check the efficiency of both the share classes in EUR and in USD.

$\alpha\beta\chi$

Groupement Financier

5.3.4 Evaluation of the Total Return SWAP of Groupement Financier Levered Ltd.

The Total Return Swap will be treated like an out of book entry and UBSFSL will only consider the interests payable for inclusion in the NAV.

5.4 Hedging of EUR share classes

The Forex results (i.e. S/R receivable/payable, forward, spot)for the EUR share classes have to be specifically attributed to the respective EUR share classes of each Fund.

5.5 NAV Finalisation

- NAV of the 15th should ideally be issued on the 9 business days after mid-month
- Month-end NAV should ideally be issued on the 9 business days after month-end

Details of the NAV calculation in PDF format (Shares and Assets Report), as well as a portfolio breakdown in PDF and in Excel format, are to be sent to:

Access International Advisors Europe
Attn. Mr. John Baker
Tel.- 0044 207 945 6155
Fax: +44 207 945 6159
e-mail: (aiaeuropa@aigroup.com)

and to:

attn. Mr. Bill Rapavy
E-mail : b.rapavy@aigroup.com

Access International Advisors Europe (Mr. John Baker) will have to approve the NAV, before UBSFSL can release the final valuation.

NAV **approval** should be sent to the following e-mail address at UBS Fund Services (Luxembourg) S.A. – "FATH department":

E-mail: (olivier.corbonnois@ubs.com).

Any **questions** regarding the NAV itself, can be addressed to that same person under tel.- Tel. +352 441010 6545

5.6 Bi-monthly reporting

The following Reports should be sent to Mr. John Baker of AIA London:

Assets and Shares

Classic (Excel)

Portfolio Details (Excel)

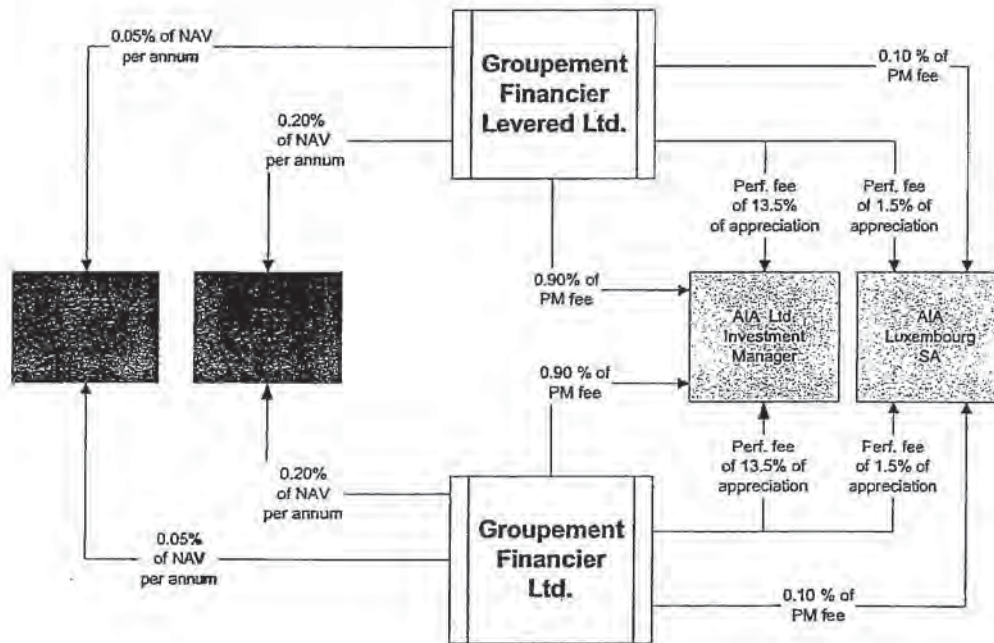
$\alpha\beta\chi$

Groupement Financier

6. General Administration Services

6.1 Payment of commissions to main service providers

6.1.1 Groupement Financier Funds



Commissions payable to contractual service providers will be automatically deducted from the Fund's bank account on a monthly basis.

6.2 Payment of invoices from external service providers

Invoices will have to be signed for payment authorization by the Board of Directors or by any person(s) duly authorized by the Board. They should be sent to the attention of Mr. Daniel Deprez and Mr. René Birchen.

$\alpha\beta\chi$

Groupement Financier

6.3 Fee Structure

Portfolio Management fee of 1%	The Groupement Financier Limited will pay a management fee at an annual rate of 1% of its gross-asset value payable on a quarterly basis to the Investment Manager.	
	The Groupement Financier Levered Ltd. will pay a management fee at an annual rate of 1% of its average gross asset value, less the value of the investments into the Groupement Financier Ltd., to the Investment Manager. This fee will be payable on a quarterly basis.	
	This management fee will be split between the Investment Manager "AIA Limited" and "AIA Luxembourg S.A."	
	AIA Limited	AIA Lux SA
	0.90% of PM fee	0.10% of PM fee
Performance fee of 15%, after deduction of the management fee and subject to a high water mark.	The Groupement Financier Ltd. will pay a performance fee equal to 15% of the appreciation in the gross assets value less the management fees on a quarterly basis, subject to a high water mark to the Investment Manager.	
	The Groupement Financier Levered Ltd. will pay a quarterly performance fee equal to 15% of the appreciation in the gross assets value, less the value of the investments into the Groupement Financier Ltd. and less the management fees, subject to a high water mark, to the Investment Manager.	
	The performance fees will be shared between the Investment Manager "AIA Limited" and "AIA Luxembourg S.A." according to the following split:	
	AIA Limited	AIA Lux SA
Total of 15%	13.5%	1.5%
UBS Set-up fees - inclusive of VAT	NIL	
Custody:	0.20% p.a.	
Ticket fee per cash transfer to HSBC / BoB	EUR 100.00 per transaction	
Ticket fee per transaction	None	
+ external Brokerage fees	Invoiced 1/1	
Administration	0.05% p.a.	
Governmental and license fees	USD 700 per Fund	

$\alpha\beta\chi$

Groupement Financier

UBSFSL will be responsible for the calculation of the performance fee, which will be checked by Access International Advisers Ltd. in London (**see chapter on NAV calculation**).

UBSL will be authorized to retain a reasonable amount of money on the Fund's account with UBSL to pay out the running costs, like monthly custody fees, ticket fees, BVI specific charges and administrative fees.

This amount should not exceed the costs for three months.

6.3.1 Payment instruction for subscription fees (see paragraph 3.2.2), for Portfolio Management fees and for Performance fee

Subscription/ redemption fees

Instructions will be sent to UBSFSL - FAOD on a case by case basis from AIA London. **They are payable in monthly installments.** These payment instructions should be sent to UBSL - HIWE, Mr. Daniel Deprez.

Investment Management Fee

The Funds will pay a management fee at an annual rate of 1% of their average bi-monthly Net Asset Value, **payable on a quarterly basis.**

The payment will be based on invoices to be received by AIA London.

These invoices, payment instructions included, should be sent to UBSL - HIWE, Mr. Daniel Deprez.

Performance fee

The Funds will pay out the performance fee **on a quarterly basis,**

The payment will be based on invoices to be received by AIA London.

These invoices, payment instructions included, should be sent to UBSL - HIWE, Mr. Daniel Deprez.

6.4 Contributing of NAV to media and to quote providers

Prices will not be published.

7. Annual General Meeting

There will be no annual general meetings.

8. Fund Reporting

The financial year of the Fund ends on the last day of December and for the first time on 31.12.2004. The report will be established according to Luxembourg GAAP rules.

8.1 Annual reports

An annual audited report (English language) of the financial position of the funds will be prepared by UBS group in Basel. A draft version should always be sent in electronic form to John Baker.

αβχ

Groupement Financier

- UBS in Basel will finalize the audited financial statements within six months after the financial year end.
- The final reports should be sent by UBS in Basel to AIA London, attention John Baker, and to all the shareholders at latest six months after the financial year-end.

9. Client Relationship Management

9.1 Client Adviser and Relationship Managers

CA is Mrs. Viviane De Angelis

9.2 HIWE - Local co-ordination and Quality Supervision

Local co-ordination of the whole Luxembourg Investment Fund product is with UBSL- **HIWE**. Any major issues, planned changes to the Fund's strategy or other Fund business related topics should directly be addressed to the Head of the team - Mrs. Viviane De Angelis (Managing Director). UBSL- HIWE will also take care of **monitoring general client satisfaction**, with regard to the services offered by both UBSFSL and UBSL.

		Telephone	Fax	E-mail
UBSL Head of HIWE	Viviane De-Angelis	+352 45 121 2151	+352 45121 2747	viviane.de-angelis@ubs.com
Legal issues	Daniel Deprez	+352 45 121 2154	+352 45121 2747	daniel.deprez@ubs.com
Fund issues	René Birchen	+352 45 121 2153	+352 45121 2747	rene.birchen@ubs.com
PB issues	Romain Kirsch	+352 45 121 2155	+352 45121 2747	romain.kirsch@ubs.com

9.3 Custody Services – Account Manager

For day to day business enquiries the PM should revert to his Account Manager within UBSL, in the SUPR department. Account Manager is Mr. Rainer Hoffmann.

		Telephone	Fax	E-mail
UBSL Custodian	Eliane Kohn	+352-451 121 2205	+352-45121 2730	dl-ubsl-pbs-suprteam1@ubs.com

UBSFSL, Mrs. Stéphanie Coupez will inform UBSL - HIWE, Messrs. Daniel Deprez, René Birchen and Serge Karp by mail of the number of shares subscribed and redeemed during each 15-day period. This information is needed per share class.

UBSL - HIWE will then give instructions per share class to UBSL - SETT, attention Mr. Paolo Barsi, to book these shares to the above mentioned accounts. A copy of the instructions will be sent to UBSL - ACCT. - attention Mr. Jean-Marc Lehnertz and to UBSL - SUPR, attention Mrs. Eliane Kohn.

αβχ

Groupement Financier

10. Contacts and addresses

10.1 Addresses

Client	Access International Advisors Europe
Funds' Names	Groupement Financier Levered Ltd. Groupement Financier Ltd.
Fund Domicile	UBSFSL

Investment Manager	Access International Advisors Ltd.
Fund Name	50 Shirley Street, 2nd Floor PO Box CB13937 Nassau Bahamas.
Alternative	25-27 Rue D'Astorg, 75009 PARIS Attn Patrick Littaye. Phone : 33-1-5343-0550 Fax : 33-1-5343-0566

AIA London	Access International Advisors Europe.
Contact Name	Mr. John Baker Tel.- +44 207 945 6155 jbaker@aigroup.com
Address	5/11 Lavington Street London SE1 ONZ

AIA NY	Access International Advisors LLC - New York
Contact Name	Bill Rapavy Phone +1(212)223-7167 Fax +1(212)223-3463 brapavy@aigroup.com
Address	509 Madison Avenue – 22 nd Floor-Suite 2206 USA – New York, NY 10 022

CDC	CDC IXIS Capital Markets North America
Contact Name	Bernard Abdo, Vice President Tel: 1 (212) 891 6142 Fax: 1 (212) 891 6288 B.Abdo@cdcixis-cmna.com
Address	9 West 57th Street, 36th Floor New York, NY 10019

αβχ

Groupement Financier

BoB	The Bank of Bermuda Limited
Contact Name	Anne Kolahal, CIM, FCSI Senior Custody Administrator HSBC Alternative Fund Services (AFS) Phone# (441) 299-5476 Fax# (441) 299-6565 Email: anne.kolahal@bob.hsbc.com
Address	6 Front Street, Hamilton HM11 PO Box HM 1020, Hamilton HM DX, Bermuda
Legal Adviser	Pierre Delandmeter
Address	8-10, avenue Marie-Thérèse L-2132 Luxembourg
Custodian, resp. Banking Agent	UBS (Luxembourg) SA
Address	36-38 Grand-Rue L-1660 Luxembourg
Fiduciary Acct. holder of US assets of Groupement Financier Ltd.	Bernard L. Madoff Investment Securities LLC
Address	885, Third Avenue, New York NY 10022-4834
Administrator	UBS Fund Services (Luxembourg) S.A.
Address	291, route d'Arlon L-1150 Luxembourg
Auditor	KPMG Luxembourg Attention Victor Chan Yin/ Patrice Perichon Tel No:352-22-5151-514 Fax No:352-22-5171
Address	31, Allée Scheffer L-2520 Luxembourg

αβχ

Groupement Financier

11. Contacts at UBSL

TPRO				
Martin Britz				martin.britz@ubs.com
Bernd Hahn		+352 45 121 3600	+352 45 121 3600	bernd.hahn@ubs.com
SETT order entry				
Head of Settlement and Custody	Armin Krings	+352-45121 2263	+352-45121 2723	armin.krings@ubs.com
	Dorthe Brandt	+352 45121 2304		
TPRO (Trading Instructions for Funds of Hedge Funds and forex transactions)				
Martin Britz				martin.britz@ubs.com
Bernd Hahn		+352 45 121 3600	+352 45 121 3600	bernd.hahn@ubs.com
PADE -				
Head of PADE	Alexis Engel	+352 45121 2267	+352 45121 2735	alexis.engel@ubs.com
Derivatives	Alexis Engel	+352 45121 2267	+352 45121 2735	SH-UBSL-ETDOTC@ubs.com
Payments & Cash	Brigitte Kieffer	+352 45121 2522	+352 45121 2735	brigitte.kieffer@ubs.com
SECA				
Head of SECA	Brigitte Schiltz	+352 45121 2559	+352 45121 2716	brigitte.schiltz@ubs.com
Income (Dividends and Coupons, Redemptions)	Ralf Boudier	+352 45121 2317	+352 45121 2716	sh-ubsl-seca-income@ubs.com
Corporate actions	Roland Raison	+352 45121 2533	+352 45121 2716	roland.raison@ubs.com
Head of Support Products				
	Thomas Helfferich	+352 45121 2530	+352-45121 2730 / 2740	thomas.helfferich@ubs.com
Account Manager				
	Eliane Kohn	+352-45121 2205	+352-45121 2730	eliane.kohn@ubs.com
Shared address		DL-UBSL-PBS-SUPRTEAM1@ubs.com		

αβχ

Groupement Financier

11.1 Contacts at UBSFSL - Administrative Agent in Luxembourg

Administrative Agent - UBSFSL		Telephone	Facsimile	e-mail
Fund Operations - Head				
	Jean-Paul Gennari	+352 441010 6503	+352 441010 6417	jean-paul.gennari@ubs.com
NAV Processing				
Head	Aloyse Hemmen	+352 441010 6500		aloyse.hemmen@ubs.com
NAV Calculation				
	Steve Kieffer			
Fund Reporting				
	Anita Thoennes	+352 441010 6340	+352 441010 6349	anita.thoennes@ubs.com
Pricing Services				
	Guy Jacoby	+352 441010 6414	+352 441010 6919	guy.jacoby@ubs.com
Order Desk for Subscriptions / Redemptions				
	Carol Kohl	+352 441010 6595	+352 441010 6417/6418	carol.kohl@ubs.com